3-27-84
123-8 v.3

~~S. Look~~
Ken Rone

MAR 2 9 1984

LONE STAR INDUSTRIES, INC.

Pacific Region
2800 Campus Drive
San Mateo, Ca. 94403
415 574-7100

March 27, 1984

Mr. Paul Livesay
Controller
Oregon Portland Cement Company
111 S.E. Madison Street
Portland, Oregon 97214

Dear Paul:

Attached are three schedules (A-B-C) I have prepared, which indicate the status of all materials physically counted on Saturday, as well as those counted Monday, March 26, 1984. As we discussed on the telephone, there were various items that did not get counted during the Saturday program and I called Ken Rone, yesterday, and requested that he have someone take a physical at that time. The specific items were:

1. Slurry
2. Molasses
3. Paper Bags (Without L.S.I. Name)
4. Lignosite

In addition to the above four items, we needed clarification on the Propane. The measurement on Saturday resulted in the contents being 60% of tank capacity, yet we did not have the tank capacity available. Also, the shrink wrap had been counted; yet the conversion factor to (each) as carried on our books was not available. The status of all items is as follows:

1. Slurry: Physical inventory was taken by plant personnel. Physical reported as 1,700 tons.

2. Molasses: Physical inventory was taken by plant personnel. Physical reported as 1,789.5 gallons or 8.5 tons.

3. Paper Bags: Bag inventory was reviewed to determine the number of usable bags without the Lone Star name. The results of the review by plant personnel were that all bags had Lone Star imprinted on them.

4. Lignosite: Physical inventory was taken by plant personnel. Physical reported as 3,100.0 gallons or 15.5 tons.

5. Propane: Plant personnel were asked to provide the tank capacity which was reported to us as 499 gallons. Based on the inventory Saturday, the tank was 60% full which equates to 299 gallons.

6. Shrink Wrap: Plant personnel provided the breakdown of actual shrink wrap on the basis of (each). The total reported to us was 13,060 (see Exhibit I attached).

I have entered the quantities obtained in this subsequent physical on the attached Schedule A under the heading of 1st Physical. I would appreciate your review of same and if you agree with the physical, so indicate in Column 3 (Schedule A) by entering your initials and returning a copy to me.

As I mentioned to you yesterday, I have found an error on the physical inventory sheet for cement. The measurement calculations by silo group, etc., are correct; the only problem was that the sub-totals by group do not add down to the bottom line total. The total cement should be 31,493.90 tons versus the 32,496.45 tons shown. (See Exhibit II attached).

Group I:	9,032.03 Tons
Group II:	21,591.85 Tons
Scale Tanks	870.02 Tons
	31,493.90 Tons

After you have reviewed the attached, please advise if you are in agreement or if any major discrepancies exist.

Thank you, and please convey to all of the Oregon Portland personnel our appreciation for the fine effort and cooperative attitude during Saturday's endeavor.

If you have any questions, please let me know.

Yours truly,

LONE STAR INDUSTRIES, INC.
PACIFIC REGION

James W. O'Connell
Regional Vice President
and Controller

cc: E. Voldbaek

Prepared By	Initials	Date
Approved By		

Schedule A[9]

	1	2	3	4	5
	Physical 1st	Physical 2nd	Quantity Agreed To		Estimated Book
Texada Rock	10995	23217	20000		25140
Winatchee Silica	3137	-	3300		3449
Ravensdale	1000	1010	1000		1297
Tacoma Slag	1167	2900	2835		2299
Coal	2154	3830	4000		4133
Gypsum	1417	2291	2300		4372
Grinding Aids	2.1	-	1.9		1.9
Vinsol	.7	-	1.1		1.1
Oleic Acid	.5	-	.5		1.2
Pallets Total	2225	-	2225		-
Broken	882	-	882		-
Useable	1343	-	1343		-
Export Boxes Total	427	-	427		-
Broken	172	-	172		-
Useable	255	-	255		-
Gasoline (Gal)	1350	-	1350		1378
Diesel (Gal)	2050	-	2050		-
Propane (Gal)	299	-	-		-
Shrink Bags	13060	-			11285
Slurry	1700	-			1705
Molasses Tons	8.5	-			8.5
Paper Bags	N/A	-	N/A		9232
Lignosite (Gal)	3100	-			-

4813(84813) BUFF
6813(68813) GREEN

AGC2E000191

	Initials	Date
Prepared By		
Approved By		

SCHEDULE B

			1	2	3	4	5
			PHYSICAL 1ST	PHYSICAL 2ND	QUANTITY AGREED TO		
		CLINKER					
		LONE STAR PRODUCED					
		SHED TYPE I-II	2211264	-			
		SILOS TYPE I-II					
	3	" "	249570	-			
	4	" "	176382	-			
	5	" "	312498	-			
	6	" "	352854	-			
	8	" "	58688	-			
		MILL BINS TYPE I-II	338.00	-			
		TOTAL	3395056	-	3395056		
		PURCHASED CLINKER					
		SILOS					
	1		380214	-			
	2		247518	-			
		TOTAL	627732	-	627732		
TONS		TOTAL CLINKER	4022788	-	4022788		
		NOTE SILO #7 CONTAINS 558.64 TONS OF GYPSUM (Sch A)					

	Initials	Date
Prepared By		
Approved By		

Schedule C

			1	2	3	4	5
			Physical 1ST	Physical 2nd	QUANTITY AGREED TO		
1		CEMENT					
2							
3							
4	BULK						
5							
6	GRP 1	TYPE I - II	525440	-			
7	GRP 2	" "	1531728	-			
8	SCALE	" "	13253	-			
9							
10	GRP 1	TYPE III	118174	-			
11	GRP 2	" "	473617	-			
12	SCALE	" "	21630	-			
13							
14	GRP 1	TYPE V	-	-			
15	GRP 2	" "	-	-			
16	SCALE	" "	24761	-			
17							
18	GRP 1	MASONRY	2468.21	-			
19	GRP 2	"	-	-			
20	SCALE	"	279.58	-			
21							
22	GRP 1	TYPE G	12768	-			
23	GRP 2	" "	15384	-			
24	SCALE	" "	-	-			
25							
26		LONE STAR PRODUCT TOTAL	3149390		3149390		
27							
28							
29	SACKS	MASONRY SACKS	2176	-			
30		EQUIVALENT TONS	73.98		73.98		
31		#68 Lbs / SK					
32							
33		INCOR SACKS	294	-			
34		EQUIVALENT TONS	13.82		13.82		
35		#94 Lbs / SK					
36							
37		RIVERSIDE WHITE SACKS	452	-			
38		EQUIVALENT TONS	21.24		21.24		
39		#94 Lbs / SK					
40							
	TONS	TOTAL	3160294		3160294		

4813(64813) BUFF
8813(88813) GREEN

Shrink Wrap Inventory
3-26-84

	On Hand
94×62 Shrink Wrap .008 Clear	180
94×62 " .008 UV1	3,960
56×52 " .006 Bottom	8,000
50×48×118 Crib Liners	920

To. Jim O'Connell

From W.NC.

EXHIBIT I

[illegible] SILO INVENTORY — DATE 5-[illegible]-84

Shift I

II	1	25.5 = 1284.95 TONS	[illegible]	6	64.1 = 411.72 TONS	III	[illegible]	19.7 = ~~135.86~~ 25.54 / 115.44 TONS	
"	2	28.0 = 1231.40 TONS	I	7	8.5 = 1645.95 TONS	I	12	14.8 = ~~1512.3~~ 320.72 TONS	
III	3	46.4 = 744.48 TONS	Maxon	8	22.7 = ~~1261.76~~ 1033.21 TONS	G	13	57.7 = 127.68 TONS	
Slag	4	28.0 = 1232.0 TONS	I-II L.A.	9	119.7 = 771.38 TONS	FOREMAN			excl slag
[illegible]	5	5.0 = 1435.0 TONS	Empty	10	-0- = -0- TONS	LAB		TOTAL TONS 9,032.03	

CEMENT SILOS — Shift II — LAB

XX	14	80.1 - 44.8 = 35.3 X 50.01 = 1,765.35 + 427.7 =	2193.05 TONS
II	15	80.1 - 37.8 = 42.3 X 50.01 = 2115.42 + 427.7 =	2543.12 TONS
II	16	80.1 - 23.7 = 56.4 X 56.4 = 3180.96 + 483.72 =	3664.68 TONS
II	17	80.1 - ~~53.4~~ 26.7 = 53.4 X 56.4 = 3011.76 + 483.72 =	3495.48 TONS
II	18	80.1 - 42.2 = 37.9 X 56.4 = 2137.56 + 483.72 =	2621.28 TONS
I	19	80.1 - 18.1 = 62.0 X 56.4 = 3496.8 + 483.72 =	3980.52 TONS
G	20	80.1 - 61.4 = 18.7 X 56.4 = 1054.68 + 483.72 =	1538.40 TONS
II	21	80.1 - 61.1 = 19.0 X 56.4 = 1071.6 + 483.72 =	1555.32 TONS
		TOTAL TONS	21,591.85

CLINKER SILOS — LAB

Low Alk	1	58.0 - 10 = 48.0 X 68.4 = 3283.2 + 518.94 =	3802.14 TONS	TOTAL JAP 6,277.32
Low Alk	2	58.0 - 29.4 = 28.6 X 68.4 = 1956.24 + 518.94 =	2475.18 TONS	
L.S. I-II	3	58.0 - 29.1 = 28.9 X 68.4 = 1976.76 + 518.94 =	2495.70 TONS	LSI clinker 11,499.92
L.S. II	4	58.0 - 39.8 = 18.2 X 68.4 = 1244.88 + 518.94 =	1763.82 TONS	TOTAL C-1
L.S. I-II	5	58.0 - 19.9 = 38.1 X 68.4 = 2606.04 + 518.94 =	3124.98 TONS	excl GYP
L.S. I-II	6	58.0 - 14.0 = 44.0 X 68.4 = 3009.60 + 518.94 =	3528.54 TONS	TOTAL OCEAN
Low Alk	7	59.3 - 26.5 = ~~26.5~~ 32.8 X ~~15.2~~ 13.3 = 436.24 + ~~120.00~~ 120.4 =	556.64 TONS	
LS II	8	59.3 - 29.4 = 29.11 X ~~13.3~~ 15.1 = 446.85 + ~~122.40~~ 140.00 =	586.85 TONS	

SCALE TANKS — LAB

Maxon	1	24.3 - 9.1 = 15.2 X 13.67 = 207.78 + 65.80 =	273.58 TONS
III	2	24.3 - 16.5 = 7.8 X 13.67 = 106.63 + 65.80 =	172.43 TONS
V	3	24.3 - 11.0 = 13.3 X 13.67 = 181.81 + 65.80 =	247.61 TONS
II B	4a	24.7 - 21.3 = 3.4 X 6.82 = 23.19 + 20.68 =	43.87 TONS
II	4b	24.7 - 8.3 = 16.4 X 6.82 = 111.85 + 20.68 =	132.53 TONS
		TOTAL TONS	870.02

+338 Tons in Mill bins — TOTAL CEMENT IN PLANT 32,496.45 TONS 31,493.90

LSI Clinker 11,499.92 — Gyps 558.64

EXHIBIT E

AGC2E000195